

COLGATE PALMOLIVE CO  
Form DEF 14A  
March 27, 2013

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A  
(Rule 14a-101)**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Colgate-Palmolive Company**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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3) Filing Party:

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March 27, 2013

**Dear Fellow Colgate Stockholder:**

You are cordially invited to attend our Annual Meeting of Stockholders on Friday, May 10, 2013, at 10:00 a.m., in the Broadway Ballroom of the Marriott Marquis Hotel, 1535 Broadway, between 45th and 46th Streets, New York, New York 10036.

At the meeting, we will ask you to elect the Board of Directors, to ratify the selection of the independent registered public accounting firm, to cast an advisory vote on executive compensation and to approve an incentive compensation plan for Colgate executives and non-employee directors. In addition, one stockholder proposal will be offered for your consideration. We will also review the progress of the Company during the past year and answer your questions.

This booklet includes the Notice of Annual Meeting and Proxy Statement. The Proxy Statement describes the business we will conduct at the meeting and provides information about the Company that you should consider when you vote your shares.

The Proxy Statement includes a section highlighting the Company's corporate governance practices. The Company and its Board of Directors have a longstanding commitment to good governance, and the Board reviews its governance practices on an ongoing basis to ensure that they promote stockholder value. As a result of this ongoing review, in March 2013, the Board adopted a policy that prohibits Colgate's directors and officers from pledging Colgate stock. We invite you to review the governance section beginning on page 5 of the Proxy Statement to learn more about our continuing commitment to excellence in corporate governance.

**It is important that your stock be represented at the meeting. Whether or not you plan to attend the meeting in person, we hope that you will vote on the matters to be considered. You may vote your proxy via the internet or by telephone. If you received a printed copy of your proxy materials, you may also vote by mail by signing, dating and returning your proxy card in the envelope provided.**

Very truly yours,

**Ian Cook**

*Chairman of the Board, President and Chief Executive Officer*

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March 27, 2013

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The 2013 Annual Meeting of Stockholders of Colgate-Palmolive Company will be held in the Broadway Ballroom of the Marriott Marquis Hotel, 1535 Broadway, between 45th and 46th Streets, New York, New York 10036, on Friday, May 10, 2013, at 10:00 a.m., for the following purposes:

1. To elect the Board of Directors;
2. To ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013;
3. To hold an advisory vote on executive compensation;
4. To approve the Colgate-Palmolive Company 2013 Incentive Compensation Plan for executives and non-employee directors;
5. To consider one stockholder proposal; and
6. To consider and act upon such other business as may properly come before the meeting.

Stockholders of record at the close of business on March 11, 2013 are entitled to vote at the Annual Meeting.

**Your vote is important. We encourage you to vote by proxy, even if you plan to attend the meeting. You may vote your proxy via the internet or by telephone by following the instructions included on your Notice of Internet Availability or, if you received a printed copy of your proxy materials, on your proxy card. If you received a printed copy of your proxy materials, you may also vote by mail by signing, dating and returning your proxy card in the envelope provided. Voting now will not limit your right to change your vote or to attend the meeting.**

**Andrew D. Hendry**  
*Chief Legal Officer and Secretary*  
Colgate-Palmolive Company  
300 Park Avenue  
New York, New York 10022

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## PROXY STATEMENT

Colgate-Palmolive Company (referred to in this Proxy Statement as we, Colgate or the Company ) is sending you this Proxy Statement in connection with the solicitation by the Board of Directors (the Board ) of proxies to be voted at the 2013 Annual Meeting of Stockholders (the Annual Meeting ).

We are mailing a printed copy of this Proxy Statement, a proxy card and the 2012 Annual Report of the Company to certain of our registered stockholders who have not consented to electronic delivery of their proxy materials, and a Notice of Internet Availability to all of our other stockholders beginning March 27, 2013. The Annual Report being made available on the internet and mailed with the Proxy Statement is not part of the proxy-soliciting material.

## QUESTIONS AND ANSWERS ABOUT COLGATE S ANNUAL MEETING

### *Q: Who is entitled to vote at the Annual Meeting?*

**A:** The Company has one class of voting stock outstanding: Common Stock. If you were a record owner of the Company s Common Stock on March 11, 2013, the record date for voting at the Annual Meeting, you are entitled to vote at the meeting. At the close of business on March 11, 2013, there were 467,118,652 shares of Common Stock outstanding and entitled to vote. Each share of Common Stock has one vote.

### *Q: How can I vote my shares?*

**A:** You can vote your shares in two ways: either by proxy or in person at the Annual Meeting by written ballot. If you choose to vote by proxy, you may do so using the internet, the telephone or, if you received a printed copy of your proxy materials, the mail. Each of these procedures is more fully explained below. Even if you plan to attend the meeting, the Board recommends that you vote by proxy.

### *Q: How can I vote my shares by proxy?*

**A:** Because many stockholders cannot attend the Annual Meeting in person, it is necessary that a large number of stockholders be represented by proxy. You may vote your proxy by internet, telephone or, if you received a printed copy of your proxy materials, mail, each as more fully explained below. In each case, the deadline for voting is 11:59 p.m. (Eastern Daylight Time) on Thursday, May 9, 2013. When you vote your proxy, you can specify whether you wish to vote for or against or abstain from voting on each nominee for director, the ratification of the selection of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for 2013, the Colgate-Palmolive Company 2013 Incentive Compensation Plan (the 2013 Plan ) and one stockholder proposal. In addition, you can cast a non-binding advisory vote on executive compensation. We will vote your shares as you direct.

If any other matters are properly presented for consideration at the Annual Meeting, the Company s directors named on the voting website and your proxy card as the Proxy Committee (the Proxy Committee ) will have discretion to vote for you on those matters. At the time this Proxy Statement was printed, we knew of no other matters to be raised at the Annual Meeting.

### **Vote by Internet**

To vote your shares via the internet, go to the voting website, [www.proxyvote.com](http://www.proxyvote.com). Internet voting is available 24 hours a day, seven days a week. You will have the opportunity to confirm that your instructions have been properly recorded. Our internet voting procedures are designed to authenticate stockholders through individual control numbers. If you vote via the internet, you may incur costs such as internet access fees for which you will be responsible. **If you received a proxy card in the mail and choose to vote via the internet, you do not need to return your proxy card.**



**Vote by Telephone**

If you reside in the United States, Canada or Puerto Rico, you can vote your shares by telephone by calling the toll-free number provided on the voting website ([www.proxyvote.com](http://www.proxyvote.com)) and on the proxy card. Telephone voting is available 24 hours a day, seven days a week. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. Our telephone voting procedures are designed to authenticate stockholders through individual control numbers. **If you received a proxy card in the mail and choose to vote by telephone, you do not need to return your proxy card.**

**QUESTIONS &  
ANSWERS**

**Vote by Mail**

If you received a printed copy of your proxy materials, you can vote your shares by completing and mailing the enclosed proxy card to us so that we receive it by the deadline. If you received a Notice of Internet Availability, you can request a printed copy of your proxy materials by following the instructions contained in the notice. If you sign and return your proxy card but do not specify how to vote, we will vote your shares in favor of the Board's nominees for director, the ratification of the selection of the independent registered public accounting firm, the advisory vote on executive compensation and the 2013 Plan, and against the stockholder proposal.

***Q: How can I vote my shares in person?***

**A:** If you wish to vote at the Annual Meeting, written ballots will be available from the ushers at the meeting. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting. Voting by proxy, whether by internet, telephone or mail, will not limit your right to vote at the Annual Meeting if you decide to attend in person. However, if you vote by proxy and also attend the meeting, there is no need to vote again at the meeting unless you wish to change your vote.

***Q: Is my vote confidential?***

**A:** All proxies, ballots and vote tabulations that identify stockholders are confidential. An independent tabulator will receive, inspect and tabulate your proxy whether you vote by internet, telephone or mail. Your vote will not be disclosed to anyone other than the independent tabulator without your consent, except if proxies are being solicited for a change in control of the Company or if doing so is necessary to meet legal requirements.

***Q: Can I change my vote?***

**A:** Yes. You can change your vote or revoke your proxy at any time before it is exercised at the Annual Meeting by taking any one of the following actions: (1) follow the instructions given for changing your vote via the internet or by telephone or deliver a valid written proxy with a later date; (2) notify the Secretary of the Company in writing that you have revoked your proxy (using the address in the Notice of Annual Meeting of Stockholders above); or (3) vote in person by written ballot at the Annual Meeting.

***Q: How many shares must be present to conduct the Annual Meeting?***

**A:** To carry on the business of the Annual Meeting, a minimum number of shares, constituting a quorum, must be present. The quorum for the Annual Meeting is a majority of the votes represented by the outstanding shares of Common Stock of the Company. This majority may be present in person or by proxy. Abstentions and broker non-votes (which are explained below) are counted as present to determine whether there is a quorum for the Annual Meeting.

***Q: What if I am a beneficial owner and do not give instructions to my broker?***

**A:** As a beneficial owner, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your broker by the deadline provided in the proxy materials you receive from your broker. If you do not provide voting instructions to your broker, whether your shares can be voted by such person depends on the type of item being considered for vote. Under the rules of the New York Stock Exchange (the "NYSE"), if your broker holds shares in your name and delivers this Proxy Statement or a Notice of Internet Availability to you, the broker is entitled to vote your shares on Proposal 2 even if the broker does not receive voting instructions from you. The broker is not entitled to vote your shares with respect to the election of directors, the advisory vote on executive compensation, the 2013 Plan or the stockholder proposal (Proposals 1, 3, 4 or 5) without your instructions.

A broker non-vote occurs when your broker submits a proxy for your shares but does not indicate a vote for a particular proposal because the broker does not have authority to vote on that proposal and has not received voting instructions from you. Broker non-votes are not counted as votes for or against the proposal in question or as abstentions, nor are they counted to determine the number of votes present for the particular proposal.



**Q: What vote is required to pass each of the proposals at the Annual Meeting?**

**A:** *Proposal 1: Election of Directors.* Each of the ten nominees for director who receives at least a majority of the votes cast for such nominee will be elected. Votes cast include votes for or against each nominee and exclude abstentions. This means that if you abstain from voting for a particular nominee your vote will not count for or against the nominee. In accordance with the majority voting standard in the Company's by-laws, any nominee who does not receive a majority of the votes cast will be required to tender his or her resignation to the Board. The Nominating and Corporate Governance Committee will then consider the resignation and make a recommendation to the Board. When voting your proxy, the Proxy Committee will vote for each of the nominees unless you instruct otherwise.

*Proposal 2: Ratification of Selection of Independent Registered Public Accounting Firm.* The affirmative vote of a majority of the shares represented at the meeting, either in person or by proxy, and entitled to vote on this proposal, is required to ratify the selection of the independent registered public accounting firm. This means that if you abstain from voting on this proposal it will have the same effect as if you voted against it. When voting your proxy, the Proxy Committee will vote for this proposal unless you instruct otherwise.

*Proposal 3: Advisory Vote on Executive Compensation.* The affirmative vote of a majority of the shares represented at the meeting, either in person or by proxy, and entitled to vote on this proposal, is required to approve the advisory vote on executive compensation. This means that if you abstain from voting on this proposal it will have the same effect as if you voted against it. When voting your proxy, the Proxy Committee will vote for this proposal unless you instruct otherwise. The results of this vote are not binding on the Board, whether or not the proposal is passed. In evaluating the stockholder vote on an advisory proposal, the Board will consider the voting results in their entirety.

*Proposal 4: Approval of the Colgate-Palmolive Company 2013 Incentive Compensation Plan.* The affirmative vote of a majority of the shares represented at the meeting, either in person or by proxy, and entitled to vote on this proposal, is required to approve the 2013 Plan. This means that if you abstain from voting on this proposal it will have the same effect as if you voted against it. In addition, under NYSE rules, approval of this proposal requires that the total votes cast (which includes votes for and against the proposal and abstentions, but excludes broker non-votes) represent a majority of the issued and outstanding shares of the Company's Common Stock. When voting your proxy, the Proxy Committee will vote for this proposal unless you instruct otherwise.

*Proposal 5: Stockholder Proposal.* The affirmative vote of a majority of the shares represented at the meeting, either in person or by proxy, and entitled to vote on this proposal, is required for adoption of the proposed resolution. If you abstain from voting on the stockholder proposal, it will have the same effect as if you voted against it. When voting your proxy, the Proxy Committee will vote against this proposal unless you instruct otherwise.

**Q: Who nominates the directors?**

**A:** Nominations for directors of the Company may be made at a stockholders' meeting by the Board or by any stockholder of the Company who complies with the information and timely notice requirements of the Company's by-laws. In addition, the Nominating and Corporate Governance Committee will consider director nominees recommended by stockholders in writing if such candidates meet Colgate's criteria for Board membership, as described in the Nominating and Corporate Governance Committee Report. The deadlines for nominations for this year's and next year's Annual Meetings are the same as those described below under "How do I submit a stockholder proposal?"

**Q: How can I vote if I am an employee participating in the Company's Savings and Investment Plan?**

**A:** If you are a Colgate employee who participates in the Colgate-Palmolive Company Employees Savings and Investment Plan (the Savings and Investment Plan), your Notice of Internet Availability contains instructions on how to vote your shares via the internet or telephone. The notice also indicates the aggregate number of shares of Common Stock credited to your account under the Savings and Investment Plan as of March 11, 2013, the record date for voting at the meeting.

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You can direct the trustee how to vote the shares via the internet or by telephone. You can also direct the trustee how to vote by mail by requesting a proxy card and returning your completed proxy card to us. Instructions for each method are indicated on the Notice of Internet Availability.

The deadline for submitting your vote is 11:59 p.m. (Eastern Daylight Time) on Wednesday, May 8, 2013. If you do not indicate your vote to the trustee by that time, the trustee will vote your shares in the same proportion as it votes the shares of employees who indicate their votes by that time.

**QUESTIONS &  
ANSWERS**

***Q: How can I vote if I am an employee participating in a stock ownership plan outside the United States?***

**A:** If you are a Colgate employee who participates in one of Colgate's employee stock ownership plans outside the United States, you will receive separate voting instructions from your local Human Resources Department.

***Q: How do I submit a stockholder proposal?***

**A:** Under the rules of the Securities and Exchange Commission (SEC), if you wish us to include a proposal in the Proxy Statement for next year's Annual Meeting, we must receive it no later than November 27, 2013.

Under the Company's by-laws, if you wish to submit a proposal for consideration at next year's Annual Meeting, the Secretary of the Company must receive your proposal at least 60 days but not more than 90 days prior to the date of the meeting. Generally, the Company holds its Annual Meeting during the first or second week of May. Your proposal also must comply with certain information requirements set forth in the Company's by-laws. You may obtain a copy of the Company's by-laws from the Secretary. These requirements apply to any matter that a stockholder wishes to raise at the Annual Meeting other than pursuant to the procedures set forth in Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act). The deadline under the Company's by-laws for receiving proposals for consideration at this year's Annual Meeting was March 11, 2013.

***Q: How are proxies solicited and what is the cost?***

**A:** We pay the cost of soliciting proxies for the meeting. Proxies may be solicited in person by our employees, or by mail, courier, telephone, facsimile or e-mail. In addition, we have retained D.F. King & Co. Inc. to solicit proxies by mail, courier, telephone, facsimile and e-mail. We will pay a fee of approximately \$23,000 to D.F. King & Co. Inc. plus expenses for these services.

***Q: What is householding? Does Colgate use it?***

**A:** Unless they have previously requested electronic delivery of proxy materials, we have sent to certain of our registered stockholders who have the same address and last name a single copy of this Proxy Statement and the 2012 Annual Report and one proxy card for each stockholder and, to all other such stockholders, a single envelope containing one Notice of Internet Availability for each stockholder that includes that stockholder's unique control number, which he or she will use to vote his or her shares, as described above. This procedure helps us reduce printing and postage costs associated with the distribution of the proxy materials and helps to preserve the earth's valuable resources.

If, in the future, you do not wish to participate in householding and prefer to receive separate copies of the Proxy Statement and Annual Report or your Notice of Internet Availability in a separate envelope, please call us at (800) 850-2654 or (212) 310-2575 or inform us in writing at: Colgate-Palmolive Company, Attention: Investor Relations, 300 Park Avenue, New York, New York 10022. Or, if you are currently receiving separate copies of the Proxy Statement and Annual Report or Notice of Internet Availability at one address and would like to receive a single copy, please contact us at the phone numbers or mailing address listed in the previous sentence. We will respond promptly to such requests.

If your shares are held in the name of a bank, broker or other holder of record, you can request information about householding from such holder of record.

***Q: Where can I find more information about Colgate?***

**A:** The Company's website address is [www.colgatepalmolive.com](http://www.colgatepalmolive.com). The information contained on the Company's website is not included as a part of, or incorporated by reference into, this Proxy Statement. The Company makes available, free of charge on its website, its annual reports on Form 10-K, its quarterly reports on Form 10-Q, its current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after the Company has electronically filed such material with, or furnished it to, the SEC. Also available on the Company's website are the Company's Code of Conduct and Corporate Governance Guidelines, the charters of the Committees of the Board and reports under Section 16(a) of the Exchange Act of transactions in Company stock by the

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Company's directors and executive officers. Hard copies of these materials are also available free of charge from the Company's Investor Relations department by calling (800) 850-2654 or (212) 310-2575.

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## GOVERNANCE OF THE COMPANY

### Colgate's Corporate Governance Commitment

Colgate's Board believes that good corporate governance accompanies and greatly aids our long-term business success. This success has been the direct result of Colgate's key business strategies, including its focus on core product categories and global brands, people development programs emphasizing pay for performance and the highest business standards. Colgate's Board has been at the center of these key strategies, helping to design and implement them, and seeing that they guide the Company's operations.

The Board believes that the Company has consistently been at the forefront of good corporate governance. Reflecting its commitment to continuous improvement, the Board reviews its governance practices on an ongoing basis to ensure that they promote shareholder value. As a result of this ongoing review, in March 2013, the Board adopted a policy that prohibits Colgate's directors and officers from pledging Colgate stock.

### *Board Independence, Expertise and Accountability*

**Strict Director Independence Standards.** With the exception of Ian Cook, Colgate's President and Chief Executive Officer (the CEO), Colgate's Board is composed entirely of independent directors. All members of the Audit Committee, the Nominating and Corporate Governance Committee (the Governance Committee) and the Board's compensation committee, known as the Personnel and Organization Committee (the P&O Committee), are independent directors. The Board believes that an independent director should be free of any relationship with Colgate or its senior management that may in fact or in appearance impair the director's ability to make independent judgments or compromise the director's objectivity and loyalty to stockholders. Based on this principle, the Board adopted director independence standards which outline the types of relationships, both personal and professional, between directors and the Company, its senior management and other directors that, if present, would preclude a finding of independence. These standards, which are stricter than those required by the listing standards of the NYSE, guide the Board's annual affirmative determinations of independence. A copy of the standards is available on the Company's website. For more information regarding Colgate's independence standards and the Board's determinations of independence, see [Director Independence](#).

**Executive Sessions/Lead Director.** The independent directors of the Board are scheduled to meet in executive session, without the CEO present, at every regularly scheduled Board meeting. The Lead Director chairs these sessions. The position of Lead Director is rotated among the independent directors every year in accordance with an established schedule. John T. Cahill currently is serving as Lead Director. For more information regarding the responsibilities of the Lead Director and the Board's leadership structure, see [Board Leadership Structure](#).

**All Directors Elected Annually by Majority Vote.** Colgate's Board is accountable to stockholders through the annual election of all directors by majority vote. Colgate has never had a staggered board. Under Colgate's by-laws, in uncontested elections for directors, if a nominee for director who is an incumbent director is not re-elected by a majority of the votes cast, the by-laws require the director to promptly tender his or her resignation to the Board. The Governance Committee will then consider the resignation and make a recommendation to the Board as to whether to accept or reject the tendered resignation or take other action.

**Audit Committee Independence and Financial Literacy.** All members of the Audit Committee are independent directors. The Board has also determined that all members of the Audit Committee are audit committee financial experts, as that term is defined in the rules of the SEC, and that they meet the independence and financial literacy requirements of the NYSE.

**Board Experience and Diversity.** As its present directors exemplify, Colgate values experience in the fields of business, education and public service, international experience, strong moral and ethical character and diversity. A copy of Colgate's criteria for Board membership, entitled [Independent Board Candidate Qualifications](#), is available on the Company's website. For more information regarding the role of diversity in the selection of nominees for Board membership, see [Committees of the Board of Directors](#) [Nominating and Corporate Governance Committee](#).



***Directors are Stockholders***

**Director Compensation in Stock.** On average, 84 percent of a director's compensation is paid in Colgate stock. Board members also receive stock options each year. For more information regarding director compensation, see Compensation of Directors.

## GOVERNANCE OF THE COMPANY

**Significant Levels of Director Stock Ownership.** Board members own significant amounts of Colgate stock. Under the Company's stock ownership guidelines, independent directors are required to own stock equal in value to at least five times their annual stock fee. For more information on director stock ownership, see [Stock Ownership of Directors and Executive Officers](#).

### ***Established Policies Guide Governance and Business Integrity***

**Corporate Governance Guidelines.** First formalized in 1996, the corporate governance guidelines reflect the Board's views and Company policy regarding significant corporate governance issues. As part of its ongoing review of best practices in corporate governance, the Board periodically updates the guidelines. The Board believes the guidelines reflect best practices in corporate governance. A copy of the guidelines, entitled [Board Guidelines on Significant Corporate Governance Issues](#), is available on the Company's website.

**Code of Conduct.** The Board sponsors the Company's Code of Conduct, which was first issued in 1987 and most recently updated in 2008, and Business Practices Guidelines, both of which promote the highest ethical standards in all of the Company's business dealings. The Global Ethics and Compliance function, headed by an executive officer who reports to the Audit Committee, oversees compliance with these standards and periodically reviews and updates the Code of Conduct and the Business Practices Guidelines. In 2011, the Business Practices Guidelines, which provide additional guidance regarding compliance with the Code of Conduct and applicable laws and regulations, were updated and the revised version was distributed to the Company's executives and senior managers around the world. The Code of Conduct applies to the Company's directors and employees, including the CEO, the Chief Financial Officer and the chief accounting officer (Corporate Controller), and satisfies the SEC's requirements for a code of ethics for senior financial officers. The Code of Conduct is available on the Company's website.

**Business Integrity Initiatives.** The Board supports the Company's efforts to communicate effectively its commitment to ethical business practices, which are led by the Company's Global Ethics and Compliance function. To further this goal, all of the Company's approximately 37,700 employees worldwide are required to certify annually that they and any people they supervise understand and comply with the Code of Conduct. In addition, the Company's executives and key managers worldwide participate in management training programs regarding the Code of Conduct, Colgate's values, effective leadership and the applicable laws and regulations that govern Colgate's business practices around the world. Colgate directors also annually certify their compliance with the Code of Conduct.

**Political Expenditures.** As set forth in the Company's Code of Conduct and Business Practices Guidelines, the Company has a longstanding policy against making contributions to any political party or candidate. In addition, each year the Company advises its U.S. trade associations of this policy to prevent the use of Company dues or contributions for any such expenditures and requests that such associations which receive at least \$10,000 annually from the Company confirm their compliance with this policy.

**Sustainability.** Colgate places a high priority on operating in a responsible and respectful manner, with a focus on three key areas: People, Performance and Planet. Colgate's sustainability objective is to ensure that its business grows consistently and responsibly and benefits those it serves globally, while promoting the well-being of future generations. To provide incentives for Colgate people to integrate sustainability into business strategy and operations, Colgate's global sustainability initiatives have been added to the individual objectives used to determine the compensation for many of Colgate's senior managers. For more information regarding Colgate's sustainability initiatives, please visit our website to view our Sustainability Report.

**Restrictions on Hiring Audit Firm Employees.** To bolster the independence of Colgate's independent registered public accounting firm and the integrity of Colgate's internal financial reporting and audit processes, Colgate has a longstanding policy prohibiting the Company from hiring any partners or managers engaged in an audit of the Company or any employees engaged in the corporate portion of an audit of the Company from PricewaterhouseCoopers LLP, Colgate's independent registered public accounting firm, within five years of the end of their engagement without the approval of the Audit Committee.

**Hedging Policy.** To further ensure that the interests of Colgate's directors, officers and senior managers are aligned with those of Colgate's stockholders, in 2011 the Board adopted a hedging policy that prohibits Colgate's directors, officers and employees who receive stock-based compensation from engaging in transactions to hedge against declines in the value of Colgate's stock. The policy also discourages all other employees from entering into such transactions.

**Clawback Policy.** In the first quarter of 2012, Colgate's Board adopted a clawback policy that permits Colgate to recoup incentive awards made to Colgate's executive officers if the financial results on which such awards were based are subsequently restated and the executive officer's intentional misconduct contributed to the restatement.

## GOVERNANCE OF THE COMPANY

**Pledging Policy.** As noted above, to prevent forced sales of Colgate stock by Colgate's directors and officers, in the first quarter of 2013, the Board adopted a policy that prohibits Colgate's directors and officers from pledging Colgate stock.

### ***Board Focused on Key Business Priorities***

**Strategic Role of Board.** The Board plays a major role in overseeing Colgate's business strategy. It reviews the Company's strategic plan and receives detailed briefings throughout the year on critical aspects of its implementation. These include performance reviews of operating divisions and major subsidiaries, product category reviews, presentations regarding research and development initiatives and reports from specific disciplines such as customer development, supply chain and information technology.

**Succession Planning and People Development.** The Board has extensive involvement in this area with special focus on CEO succession. It discusses potential successors to key executives and examines backgrounds, capabilities and appropriate developmental assignments. Regular reviews of professional training programs, benefit programs and career development processes assist the Board in guiding the Company's people development initiatives and efforts to gain a competitive recruitment and retention advantage.

### ***Direct Access to Management***

**Management Participation at Board Meetings.** Key senior managers regularly attend Board meetings. Topics are presented to the Board by the members of management who are most knowledgeable about the issue at hand irrespective of seniority. An open and informal environment allows dialogue to develop between directors and management, which often produces new ideas and areas of focus.

**Direct Access to Management.** The Board's direct access to management continues outside the boardroom during discussions with corporate officers, division presidents and other employees, often without the CEO present. Directors are invited to, and often do, contact senior managers directly with questions and suggestions.

### ***Ensuring Management Accountability***

**Performance-Based Compensation.** Colgate has linked the pay of its managers and employees at all levels to the Company's performance. As described in greater detail in the Compensation Discussion and Analysis, the P&O Committee adheres to this pay-for-performance philosophy, and stock-based incentive awards are a significant component of senior management's overall compensation.

**CEO Evaluation Process.** The Board's evaluation of the CEO is a formal annual process. The CEO is evaluated against the goals set each year, including both objective measures (such as earnings per share) and subjective criteria reflective of the Company's strategy and core values. As part of the overall evaluation process, the Board meets informally with the CEO to give feedback on a regular basis.

### ***Board Practices Promote Effective Oversight***

**Board Size.** Designed to maximize board effectiveness, Colgate's by-laws fix the number of directors between seven and 12. Ten directors have been nominated for election at the Annual Meeting.

**Directorship Limits.** To ensure that directors are able to devote sufficient time to properly discharge their duties, Colgate's corporate governance guidelines provide that directors should not serve on more than three other corporate boards.

**Meeting Attendance.** On average, the directors attended 97% of the meetings of the Board and the committees on which they served in 2012. No director attended less than 90% of these meetings.

### ***Continuous Improvement through Evaluation and Education***

**Board Self-Evaluation Process.** Each year, the Board evaluates its performance against criteria that it has determined are important to its success. One or more of the following topics may be considered during such evaluations: financial oversight, succession planning, executive compensation, strategic planning, corporate governance, ethics and compliance and Board

structure and role. The Board then considers the results of the evaluation and identifies steps to enhance its performance.

**Board Committee Evaluations.** Self-evaluations of the Board's committees are also conducted annually. The results of these evaluations are reviewed with the Board, and further enhancements are agreed for each committee.

## GOVERNANCE OF THE COMPANY

**Individual Director Evaluations.** Complementing the Board and committee self-evaluations, the Board has also developed an individual director evaluation process to be used every few years. Using director effectiveness criteria selected by the Board following a review of external best practices, directors evaluate their peers and the resulting feedback is shared with individual directors by an external facilitator. This process, which the Board plans to conduct again in 2013, enables the directors to provide valuable feedback to one another and identifies areas of strength and areas of focus for enhanced effectiveness.

**Ongoing Director Education.** Periodically, Colgate's directors, under the leadership of the Chair of the Governance Committee and the Lead Director, participate in Colgate-specific director education programs. These sessions are led by expert external faculty with relevant governance, legal and business experience. In addition, outside experts periodically present to the Board on various subjects. During 2012, such subjects included the economic outlook in Europe, the financial regulatory environment, accounting for restructuring activities and recent corporate governance and executive compensation trends. From time to time, Colgate's directors also visit Colgate subsidiaries around the world, deepening their understanding of Colgate's operations.

## The Board of Directors

The Board oversees the business, assets, affairs, performance and financial integrity of the Company. In accordance with the Company's longstanding practice, the Board is independent, consisting of a substantial majority of outside directors. Currently, the Board has ten directors, with nine independent directors and one employee director, Ian Cook, who is the President and CEO of the Company and Chairman of the Board.

The Board met ten times during 2012. On average, the directors attended 97% of the meetings of the Board and the committees on which they served in 2012. During 2012, the independent directors met regularly in executive session without Mr. Cook present.

### ***Director Experience, Skills and Qualifications***

The Governance Committee seeks to compose a Board with members with a broad range of experiences and skills and different points of view, with a particular emphasis on business, financial, fast-moving consumer goods industry and international experience. This variety and depth of experience enable the Board collectively to understand the Company's global business and its consumers around the world and the individual directors to make significant contributions to the deliberations of the Board.

In 2002, the Board adopted a written statement, known as the Independent Board Candidate Qualifications and made available on the Company's website, outlining the qualities sought in directors of the Company. This statement highlights the following skills and experiences, among others, as being important to creating an effective, well-rounded and diverse Board:

*Business Operations* Is or has been the Chief Executive Officer, Chief Operating Officer or other major operating or staff officer of a major public corporation;

*Finance* Has strong knowledge of business finance and financial statements;

*Industry* Has knowledge of the Company's business, the fast-moving consumer goods industry or other complementary industry;

*International* Has significant international experience, whether through managing international business operations or living and working outside the United States; an understanding of the language and culture of non-English speaking countries is also important;

*Corporate Governance* Has sufficient relevant experience to understand the legal and other responsibilities of an independent director of a U.S.-based public company;

*Public Service* Holds or has held one or more elected or appointed senior positions in a prominent nonprofit organization or federal or state government; and

*Education* Holds or has held a significant position at a prominent educational institution, such as university or college president and/or dean of a school within a university or college.

In addition, the Governance Committee expects each of the Company's directors to have the personal qualities necessary to make a substantial contribution to the Board, including high moral and ethical standards, strong communication and interpersonal skills and a commitment to Colgate's success.

Biographical information and the particular skills and qualifications of each director nominee for election at this year's annual meeting are set forth below. The absence of a reference to a qualification for an individual director nominee does not mean that the nominee does not possess that qualification, but rather that it is not one of the specific qualifications for which the nominee has been proposed. All nominees have been directors since last year's annual meeting.

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### Ian Cook

**Public Company Directorships:**

PepsiCo Inc. (2008-present)

**Age:** 60

**Director since 2007**

Mr. Cook has been President and Chief Executive Officer of Colgate since July 2007 and Chairman of the Board since January 2009. Mr. Cook began his career at Colgate in 1976 and progressed through a series of senior marketing and management roles around the world. He was appointed Chief Operating Officer in 2004, with responsibility for operations in North America, Europe, Central Europe, Asia and Africa, and, in 2005, he was promoted to President and Chief Operating Officer, responsible for all Colgate operations worldwide.

### Skills and Qualifications:

**Business Operations** Extensive operational leadership experience through service as Chief Operating Officer and President and CEO of Colgate.

**Industry** In-depth knowledge of consumer products industry and Colgate's business through over thirty-year career at Colgate.

**Finance** Strong knowledge of business finance and financial statements through oversight of operating budgets and financial statements at Colgate.

**International** Experience managing Colgate's international operations and living and working in a number of foreign countries. Native of Great Britain.

**Corporate Governance** Experience serving as a director of a U.S. public company in addition to Colgate.

### Nikesh Arora

**Public Company Directorships:**

Bharti Airtel Ltd. (2008-present)

Aviva PLC (2007-2009)

**Age:** 45

**Independent Director since 2012**

Mr. Arora has been Senior Vice President and Chief Business Officer of Google, Inc. ( Google ) since January 2011. Previously he held multiple senior operating leadership roles at Google, serving as President, Global Sales Operations and Business Development from 2009 to 2010, President, Europe, Middle East and Africa from 2007 to 2009 and Vice President, Europe Operations from 2004 to 2007. Since 2007, Mr. Arora has also served as a Senior Advisor to Silver Lake Partners, a private equity firm. From 2001 to 2004, Mr. Arora served as Chief Marketing Officer of the T-Mobile International Division of Deutsche Telekom AG. He was Chief Executive Officer and Founder of T-Motion PLC, which merged with T-Mobile International in 2002. Mr. Arora began his career at Fidelity Investments in 1992, holding a variety of finance and technology management positions, ultimately serving as Vice President, Finance of Fidelity Technologies.

### Skills and Qualifications:



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**Business Operations** Significant operational leadership experience through service as Senior Vice President and Chief Business Officer of Google.

**Finance** Strong knowledge of business finance and financial statements through oversight of operating budgets at various companies, including Google. Chartered Financial Analyst since 1996.

**International** Experience managing international operations for Google and T-Mobile International and living and working in a number of foreign countries, including India and various European countries. Native of India and native speaker of Hindi.

**GOVERNANCE OF THE COMPANY****John T. Cahill****Public Company Directorships:**

Kraft Foods Group Inc.

(2012-present)

Legg Mason, Inc. (2010-present)

**Age: 55****Independent Director since 2005**

Mr. Cahill has been Executive Chairman of Kraft Foods Group Inc. ( Kraft ) since October 2012, when Kraft was spun off from Kraft Foods Inc. He served as Executive Chairman of Kraft Foods North America from January to October 2012. Mr. Cahill was an Industrial Partner at Ripplewood Holdings LLC, a private equity firm, from 2008 through 2011. He served as Chief Executive Officer of The Pepsi Bottling Group, Inc. ( PBG ) from 2001 to 2003, as Chairman and Chief Executive Officer from 2003 to 2006 and as Executive Chairman from 2006 to 2007. Prior to that, he served as Chief Financial Officer and head of International Operations for PBG. He also held multiple senior financial and operating leadership positions at PepsiCo Inc. ( PepsiCo ) from 1989 to 1998, including serving as Chief Financial Officer for both Kentucky Fried Chicken ( KFC ) and Pepsi-Cola North America and Senior Vice President and Treasurer of PepsiCo.

**Skills and Qualifications:**

**Business Operations** Considerable operational leadership experience through service as Chairman and Chief Executive Officer of PBG and as Executive Chairman of Kraft.

**Finance** Strong knowledge of business finance and financial statements through service as Chief Financial Officer of PBG, KFC and Pepsi-Cola North America and as Senior Vice President and Treasurer of PepsiCo.

**Industry** In-depth knowledge of fast-moving consumer goods industry through nearly twenty-year career at PepsiCo and PBG.

**International** Experience managing international operations for PBG.

**Corporate Governance** Experience serving as a director of several U.S. public companies in addition to Colgate.

**Helene D. Gayle****Age: 57****Independent Director since 2010**

Dr. Gayle has been President and Chief Executive Officer of CARE since 2006. From 2001 to 2006, she was an executive in the Global Health program at the Bill & Melinda Gates Foundation. Dr. Gayle began her career in public health at the U.S. Centers for Disease Control in 1984 and held positions of increasing responsibility over her nearly twenty-year tenure there, ultimately becoming the director of the National Center for HIV, STD and TB Prevention and achieving the rank of Assistant Surgeon General and Rear Admiral in the United States Public Health Service. Dr. Gayle also serves on the boards of the Center for Strategic and International Studies, the Rockefeller Foundation, the American Museum of Natural History and the Department of State Foreign Affairs Policy Board. She is a member of the Council on Foreign Relations, the Bretton Woods Committee and the Institute of Medicine.

**Skills and Qualifications:**

**Public Service** Extensive leadership experience in the global public health field through positions at the Bill & Melinda Gates Foundation and CARE and nearly twenty-year career at the U.S. Centers for Disease Control.

**International** Experience managing international operations at CARE, one of the world's leading humanitarian organizations with programs in nearly 70 countries around the world.

**Industry** In-depth knowledge of and expertise in the global public health field, a complementary industry.

## GOVERNANCE OF THE COMPANY

### Ellen M. Hancock

#### **Public Company Directorships:**

Aetna Inc. (1995-present)  
Electronic Data Systems Corporation  
(2004-2008)

**Age:** 69

**Independent Director since 1988**

Mrs. Hancock served as the President of Jazz Technologies, Inc. and President and Chief Operating Officer of its predecessor Acquiror Technology Inc. from August 2005 to June 2007. She was the Chairman and Chief Executive Officer of Exodus Communications, Inc., a public company specializing in computer network and internet systems she joined in March 1998, from June 2000 to September 2001. Mrs. Hancock began her career at International Business Machines Corporation ( IBM ), where she spent nearly thirty years in various staff, managerial and executive roles including Senior Vice President and Group Executive. Mrs. Hancock is a director of the Pacific Council on International Policy and serves as Chairman of the Board of Marist College and as a trustee of Santa Clara University.

### **Skills and Qualifications:**

**Business Operations** Considerable operational leadership experience in the field of information technology through service as Chairman and Chief Executive Officer of Exodus Communications, Inc. and an over thirty-year career at IBM and other leading technology companies.

**Finance** Strong knowledge of business finance and financial statements through oversight and management of operating budgets for various companies throughout her career.

**Industry** In-depth knowledge of Colgate's business through long service as a Colgate director.

**Corporate Governance** Experience serving as a director of several U.S. public companies in addition to Colgate.